

8.B Medicare: Enrollment, Utilization, & Reimbursement

Table 8.B6.—Hospital Insurance: Number of bills approved for payment and amount reimbursed, by type of benefit and type of beneficiary, 1966-97

[In thousands. Includes only approved bills recorded in the Health Care Financing Administration records before March 31, 1998]

| Year approved | Total ¹ | | Inpatient hospital ² | | Home health | | Skilled-nursing facilities ³ | |
|---------------------------------------|--------------------|-------------------|---------------------------------|-------------------|-------------|-------------------|---|-------------------|
| | Number | Amount reimbursed | Number | Amount reimbursed | Number | Amount reimbursed | Number | Amount reimbursed |
| Total | | | | | | | | |
| 1966 | 1,979 | \$824,367 | 1,866 | \$821,362 | 34 | \$2,113 | ... | ... |
| 1970 | 7,512 | 4,855,161 | 6,313 | 4,578,080 | 571 | 46,896 | 627 | \$230,183 |
| 1975 | 10,318 | 10,414,195 | 8,687 | 10,006,206 | 1,07 | 145,631 | 553 | 262,358 |
| 1980 | 13,866 | 23,200,897 | 11,088 | 22,367,454 | 2,266 | 473,805 | 512 | 359,638 |
| 1985 | 15,615 | 37,533,351 | 10,352 | 35,414,544 | 4,747 | 1,656,411 | 515 | 462,396 |
| 1987 | 15,527 | 41,076,274 | 10,342 | 38,646,919 | 4,632 | 1,796,454 | 481 | 553,036 |
| 1988 | 15,608 | 43,507,272 | 10,283 | 40,736,827 | 4,608 | 1,889,195 | 597 | 753,494 |
| 1989 | 16,628 | 49,711,315 | 10,083 | 44,673,409 | 4,962 | 2,218,971 | 1,406 | 2,595,128 |
| 1990 | 18,601 | 54,946,122 | 10,563 | 49,074,386 | 6,420 | 3,323,471 | 1,405 | 2,232,412 |
| 1991 | 20,878 | 62,526,234 | 10,832 | 54,769,237 | 8,366 | 5,036,914 | 1,375 | 2,243,293 |
| 1992 | 24,138 | 76,911,288 | 11,548 | 65,798,975 | 10,436 | 7,093,126 | 1,638 | 3,135,228 |
| 1993 | 26,678 | 82,575,833 | 11,279 | 67,569,095 | 12,793 | 9,571,019 | 1,919 | 4,250,224 |
| 1994 | 29,828 | 91,101,325 | 11,662 | 71,682,678 | 15,037 | 12,142,306 | 2,255 | 5,691,371 |
| 1995 | 33,253 | 102,180,586 | 12,064 | 77,606,018 | 17,511 | 15,118,757 | 2,664 | 7,541,057 |
| 1996 | 34,567 | 108,638,992 | 11,979 | 80,729,152 | 18,513 | 16,428,529 | 3,008 | 9,466,043 |
| 1997 | 35,382 | 114,506,765 | 12,141 | 84,062,258 | 18,766 | 16,884,745 | 3,308 | 11,408,861 |
| Persons aged 65 or older ⁴ | | | | | | | | |
| 1973 | 8,080 | \$6,550,708 | 6,980 | \$6,297,814 | 624 | \$60,549 | 476 | \$192,345 |
| 1975 | 9,389 | 9,429,866 | 7,844 | 9,041,321 | 1,009 | 135,687 | 536 | 252,859 |
| 1980 | 12,287 | 20,357,667 | 9,705 | 19,580,817 | 2,097 | 436,589 | 485 | 340,250 |
| 1985 | 14,063 | 33,325,618 | 9,160 | 31,348,094 | 4,404 | 1,530,937 | 499 | 446,587 |
| 1987 | 13,999 | 36,627,064 | 9,159 | 34,355,504 | 4,307 | 1,664,255 | 465 | 532,334 |
| 1988 | 14,128 | 38,938,452 | 9,141 | 36,336,949 | 4,296 | 1,755,696 | 577 | 724,821 |
| 1989 | 15,039 | 44,200,304 | 8,901 | 39,460,554 | 4,624 | 2,059,947 | 1,347 | 2,468,838 |
| 1990 | 16,886 | 48,946,318 | 9,347 | 43,426,173 | 5,988 | 3,090,502 | 1,349 | 2,131,716 |
| 1991 | 18,989 | 55,705,195 | 9,565 | 48,416,192 | 7,810 | 4,686,633 | 1,325 | 2,152,832 |
| 1992 | 21,931 | 68,396,493 | 10,129 | 57,957,977 | 9,736 | 6,593,055 | 1,579 | 3,012,800 |
| 1993 | 24,223 | 73,211,836 | 9,830 | 59,165,104 | 11,898 | 8,851,257 | 1,849 | 4,079,911 |
| 1994 | 27,007 | 80,396,686 | 10,092 | 62,255,035 | 13,926 | 11,205,712 | 2,166 | 5,446,473 |
| 1995 | 30,005 | 89,756,403 | 10,363 | 66,903,360 | 16,140 | 13,869,578 | 2,551 | 7,191,881 |
| 1996 | 31,065 | 95,057,882 | 10,204 | 69,169,979 | 16,987 | 14,999,499 | 2,872 | 9,003,616 |
| 1997 | 31,784 | 100,196,496 | 10,348 | 71,974,567 | 17,187 | 15,368,289 | 3,151 | 10,834,236 |
| Disabled persons ⁵ | | | | | | | | |
| 1973 | 215 | \$173,178 | 206 | \$170,850 | 6 | \$692 | 4 | \$1,637 |
| 1975 | 929 | 984,329 | 843 | 964,885 | 69 | 9,944 | 17 | 9,499 |
| 1980 | 1,545 | 2,773,750 | 1,357 | 2,722,587 | 168 | 37,199 | 18 | 13,965 |
| 1983 | 1,772 | 4,174,624 | 1,407 | 4,052,658 | 346 | 105,995 | 18 | 15,971 |
| 1984 | 1,612 | 4,005,159 | 1,232 | 3,868,195 | 363 | 121,589 | 17 | 15,375 |
| 1985 | 1,552 | 4,207,733 | 1,192 | 4,066,450 | 343 | 125,474 | 16 | 15,809 |
| 1987 | 1,528 | 4,449,211 | 1,183 | 4,291,415 | 325 | 132,199 | 16 | 20,702 |
| 1988 | 1,480 | 4,568,819 | 1,142 | 4,399,878 | 312 | 133,498 | 20 | 28,673 |
| 1989 | 1,589 | 5,511,011 | 1,182 | 5,212,855 | 338 | 159,025 | 59 | 126,290 |
| 1990 | 1,715 | 5,999,804 | 1,216 | 5,648,213 | 431 | 232,969 | 56 | 100,696 |
| 1991 | 1,889 | 6,821,039 | 1,267 | 6,353,044 | 555 | 350,282 | 50 | 90,460 |
| 1992 | 2,207 | 8,514,795 | 1,419 | 7,840,999 | 701 | 500,071 | 59 | 122,428 |
| 1993 | 2,455 | 9,363,998 | 1,449 | 8,403,991 | 895 | 719,762 | 71 | 170,313 |
| 1994 | 2,822 | 10,704,639 | 1,570 | 9,427,643 | 1,111 | 936,594 | 89 | 244,898 |
| 1995 | 3,248 | 12,424,183 | 1,701 | 10,702,659 | 1,371 | 1,249,179 | 113 | 349,176 |
| 1996 | 3,502 | 13,581,110 | 1,775 | 11,559,173 | 1,526 | 1,429,029 | 136 | 462,427 |
| 1997 | 3,598 | 14,310,270 | 1,794 | 12,087,691 | 1,579 | 1,516,456 | 157 | 574,625 |

¹ Included in total but not shown separately are data on approved bills for outpatient diagnostic services rendered before Apr. 1, 1968. Beginning in April 1968, outpatient diagnostic services, formerly covered under Hospital Insurance, are covered under Supplementary Medical Insurance. Data on approved bills for hospice services are included in total after 1985.

² The Social Security Amendments of 1983 (P.L. 98-21) replace (for most hospitals) the retrospective cost reimbursement system and the cost-per-case limits and rate of increase ceiling created by the Tax Equity and Fiscal Responsibility Act of 1982. Effective with hospital cost-reporting periods beginning on or after Oct. 1, 1983, Medicare payments for inpatient operating costs are to be based on a fixed amount, determined in advance, for each case, according to one of 495 diagnosis related groups (DRGs) into which a case is classified. The

prospective payment is considered payment in full; hospitals are prohibited from charging beneficiaries more than the statutory deductible and coinsurance. Additional payments, determined by nondiagnostic criteria, are made to hospitals by the program for various "pass-through" costs and additional adjustments. These additional payments are not included in the inpatient hospital billing amounts reimbursed shown in this table.

³ Coverage began Jan. 1, 1967. Benefit payments shown for 1985 are incomplete due to billing lags.

⁴ Beginning Oct. 1, 1978, includes a relatively small number of persons entitled to benefits solely because of end-stage renal disease.

⁵ Includes a relatively small number of persons under age 65 entitled to benefits solely because of end-stage renal disease.

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